

STATE-OF-THE-CITY April 2, 2004

As we enter the 2005 fiscal year, Annapolis, financially, is in good shape. While jurisdictions all around us wiggle and squirm through economic strains or even, as in the town of Luke, consider throwing in the towel on local government, our Capital City is on a rock solid foundation - albeit without careful nurturing one that could change swiftly just as the federal government budget has declined into billions of dollars of debt.

Preserving financial integrity has not been easy. Yet, consistent with prior year's actions, I am offering a budget that cuts the tax rate by two cents while holding our bottom line to the cost of living increase.

Last year, to fix gaps in revenue and expenditure demands, your tax bill reflected a State property tax rate increase of 4.8 cents, the County by a half a cent. While in Annapolis, your municipal government reduced the tax rate by 2.4 cents. Some dismissed this reduction as insignificant, preferring instead to further cap the state assessment increase. Yet in 1972, and in 1990, the Attorney General opined that variations in the assessment caps violates the Uniformity Clause of the State Constitution. Credit rating agencies also frown on imposed limits.

In the face of politicizing the tax issue, the City Council was able to stay the course for fiscal responsibility. In doing this, we were guided by the criteria set forth by our banking creditors. These "best practices" include:

1. Maintaining a fund balance reserve
2. Avoidance of imposed financial revenue limits in order to maintain flexibility
3. Multi year financial forecasting
4. Integration of operation costs into the five year capital improvement plan

What have our fiscal efforts produced?

Having adhered to sound fiscal practices, Annapolis has maintained a AA+ credit rating. This credit rating has made it possible to refinance high interest bonds at 2.5%, the lowest rate ever, and save the taxpayers \$650,000.

Our superior credit rating also allowed us to borrow money for expensive capital improvements at low interest rates, resulting in an anticipated tax savings of approximately \$450,000 in interest.

State of the City
April 2, 2004

Through careful management and changes in our ways of work, we have cut another \$650,000 in annual costs in insurance, utilities, and telephones.

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At the same time, while reducing costs, we have increased expenditures for public safety by four million dollars over two years.

Today, both the Annapolis Fire Department and the Annapolis Police Department have been awarded national accreditation for achieving the highest professional standards.

Police flight to other jurisdictions has stopped. On March 22, 2004, I swore in the 26th new police officer. Only three had been hired in the year 2001, prior to this administration.

Long time police officers have retired, desk officers have been replaced with civilians, and six neighborhood enforcement teams have expanded to ten officers.

More officers are on the street in communities partnering with residents. Trained and active resident Neighborhood Watches have grown from 1,000 to 2,940. The Clay Street Public Safety Team of residents, an outgrowth of the collaborative process between residents, police, and businesses, initiated by the City, was recognized for setting a best practice standard by the Governor's Commission on Crime Control.

On March 20, 2004 the Annapolis Police Department was awarded full accredited status through the Commission on Accreditation for Law Enforcement Agencies (CALEA). Law enforcement agencies at the federal, state and local levels can voluntarily demonstrate that they meet professional standards through the accreditation process.

The committee which reviewed the Annapolis Police Department was impressed that our assessment on-site team stated in their final report that this was one of the best initial on-site's that they had ever seen. They were equally impressed with our recruiting and the diversity in our department.

Of the 180 law enforcement agencies in Maryland there are currently only 23 municipal, county, college, housing and transportation police departments that are accredited in the state of Maryland. Annapolis Police Department now joins that select group.

Our partnerships with other agencies has paid off, too. On the Federal property of the Housing Authority, we recommended a new way-of-work that included resident training in crime watch and ten community police officers under the supervision of a new public safety director, who has just been hired.

State of the City
April 2, 2004

Understanding the correlation between drugs and violence, the fact that Annapolis is an urban community, and that our city is geographically located between two large urban communities, over the past two years the Annapolis Police Department has been actively involved with the Drug Enforcement Agency, Alcohol Tax and Firearms, and the Secret Service. The various cooperative Task Forces have resulted in 239 drug arrests in 2002 and 261 in 2003. With some major cases being prosecuted in the Federal court system, significant sentences have been imposed and over \$300,000 in assets forfeited to the City. This partnering has helped to reduce violence in Annapolis which has achieved the lowest rate in a decade.

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Thanks to volunteer support and aggressive grant seeking, the City has made tremendous improvements to the environment. Landscape architect, Vern Husted, chair of the Landscape Architects Association, spent thousands of hours of professional time to develop a master plan for Back Creek Park. New grant monies have enabled us to stabilize eroding steep banks, develop a historic building using green standards, and capture stormwater run off.

Over the next two years Back Creek will emerge as an exciting living classroom environmental education site.

In order to stretch the financial resources of Annapolis, we have vigorously pursued grants. The Navy Stadium renovation project is a shining example of a special effort which cobbled together thousands of dollars from a wide variety of funding sources - the City of Annapolis, Naval Academy Athletic Association, Maryland Department of Transportation, Chesapeake Bay Trust and Baltimore Gas and Electric.

In keeping with that philosophy of doing more with less, the City has receive a whopping total of \$2,566,000 in environmental grants that have significantly helped to fund over twenty important environmental initiatives, touching the lives of thousands of people and critters large and small.

When bestowing the City with the much coveted Chesapeake Bay Partnership Gold Medal Award, the Environmental Protection Agency singled out Annapolis as the "...almost perfect example of a town/village Gold Bay Partner. Innovative Stormwater Management practices are being implemented in both new developments and re-developments Practices implemented include bio-retention, Baysavers and Stormceptors. Nearly all planned developments in the city are required to protect open spaces through conservation easements. Annapolis has the only public urban land trust – the Annapolis Conservancy Board in the country. Annapolis is also a model for environmental management." The

federal government went

State of the City
April 2, 2004

on to commend the City for its green purchasing practices, the installation of numerous rain gardens and living shorelines, our Clean Air initiatives and the planting of thousands of trees, our strict enforcement of the Critical Area Law, GreenScape, our adoption of mixed-use zoning which encourages traditional development, and our environmental outreach efforts to minority communities

Through leading by example, developing partnerships with others and engaging an army of volunteers, Annapolis serves as a model for cities large and small when it comes to innovative environmental solutions to the many land use pressures that come with an urban area. The plan and simple truth is this: The good Lord isn't making any new wetlands or woods. But here in Annapolis, we are doing both while building coalitions and fostering a real spirit of cooperation.

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On the capital improvement front, bulldozers and carpenters will be everywhere. New homes will arise on the downtown hospital site within the year. Retail and condos and a hotel will begin at Park Place. The Knighton Garage, on hold when this administration began, will be finished in September. Street calming and clean city initiatives are tackling problems associated with urban living.

With a Two Million Dollar support from the State a new police station and emergency operation center, not planned in 2001, is set to begin construction in June. Location and concept plans for a new Recreation Center are complete. Community meetings, to focus on program and interior design, begin this Spring, with a late 2005 ground breaking anticipated.`

Annapolis is hot! Fifty small businesses have chose to locate here this year, bringing 246 new jobs. The PACC initiative (Pre-Application Conference) has helped to streamline the permitting process for developers and small business owners. Opening this year, Annapolis Cares, the City initiative to serve residents with a helping hand, has brought 20 professional volunteer partners together with new entrepreneurs hoping to develop a business of their own. Spanish speaking staff assist members of the Hispanic community with a variety of quality of life concerns. Five hundred eighty-four (584) contracts to minority firms have been awarded. Minorities in management positions in City Government have more than tripled.

State of the City
April 2, 2004

Are there issues that continue to challenge us?

Sure.

Excess demand for paramedic service plagues us. The issue is unresolved. Last year, I recommended an additional paramedic unit. I am still convinced we need it, but the City Council disagreed, and cut it from the budget.

This year, we requested State support to renovate the Eastport fire station for a high standard emergency medical support center, and were successful in securing \$250,000 to begin the design process.

Over the last two years, Habitat for Humanity and Homes for American have helped 92 families secure homes of their own. More needs to be done to move people from renting to home ownership. New affordable housing legislation, if passed, may offer additional tools to address this issue.

The repair of State highways leading into the city will test our patience - even as we work to secure new places to park and dramatically increase our shuttle service.

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Annapolis is a vibrant and vital city, populated by committed and compassionate people. In the Girl Scout way of work, this administration is driven by a goal to leave the community, for all of its citizens, in better shape than we found it. Step-by-step we are making advances, getting things done and tackling the tough issues.

Message to the Aldermen - Mid-term Report, Overview

At the beginning of our administration, each of you shared with me what you hoped to accomplish in the years we would be working together. I am proud of what we have achieved in two short years.

We also discussed my goals for the operation of the city government, which were to reduce expenses, set high standards for public service, and identify and be aggressive in pursuing new sources of revenue.

In the quest to achieve the highest in professional standards of service delivery, both the police department and fire department have received the acclaimed national accreditation for their proficiency, training, management, and resources.

Few municipalities in our state have the level of interactive communication we now offer our citizens. Only Baltimore and Rockville have web sites that take calls for services; only Annapolis allows them to be tracked online. By the end of this fiscal year, even more transactions will be available online, from applying for permits to paying fees and bills.

We have received awards from the Governor's Commission on Crime, the Governor's Commission on Tourism, the Maryland Department of the Environment, Environmental Protection Agency, and others for best practices.

We have cut expenses by \$650,000 in annual costs, while saving \$1,100,000 in interest costs.

By strengthening relationships with state and federal agencies, we have been successful in receiving new revenues - \$2,250,000 through the state budget, and \$15 million in grants. This represents a 30% annual increase over 2001.

We have forged partnerships with corporations, foundations, educational facilities and associations to leverage our resources and broaden our reach into the community we share with so many others. This has brought us dollars, services and in kind contributions. But most of all, it has brought us goodwill. As the commercial says, some things are priceless.

We have accomplished much in two years. We have potential - and momentum - to do so much more.



CITY OF ANNAPOLIS

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Ellen O. Moyer
Mayor

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MEMORANDUM

TO: Alderwoman Louise Hammond
Ward 1

FROM: Ellen Moyer
Mayor

DATE: March 31, 2004

Preparing the State of the City report caused me to reflect on issues and accomplishments in your Ward. And there are a number of them — the Market House, street-end floating docks, hospital destruction, parking, West Street zoning, brew pubs, events at City Dock — are ongoing issues of contention. Yet as the debate goes on to resolve these issues, a number of good things have happened. The Clean City campaign is tackling graffiti, repairing and steam cleaning sidewalks and adding landscaping and flowers to public properties. Our downtown flowers earned us a reputation as the city of flowers by the Bay, and some say the Navy flags, a tribute to our Naval Academy partners, have brought winning football games. After six years, the Hollander Hole is cleaned up and sold, and plans for retail and residence will soon be before the Historic Preservation Commission. The Maynard-Burgess House, vacant for a decade, is being restored.

The new Bloomsbury is constructed to the standards of the Historic District. At the request of the Historic Preservation Commission, residents in the historic district are better informed about living in an historic district, and who to ask when planning renovations. We've modeled the first street calming with cobblestones at the request of residents of Pinkney Street. And we are actively pursuing money for street repairs and undergrounding of wires on Cornhill, Fleet and Maryland Avenue.

West Street has become an attractive new entrance into the city with the West Street five new businesses well underway.

You asked for committees to guide the Knighton Garage design and to review the MX zone. It's fascinating to watch the construction. The Garage will be completed in September. Recommendations for the MX committee, after two years of deliberation, are due in June.

Development at Park Place, Greenfield Street, Westgate Circle and at Acton Place, like the coming Cicadas are going to try our patience until good things finally emerge – and they will.

The challenge is always present to protect this very special heart of our city. Residents take this challenge seriously, and their perseverance has paid off to the benefit of us all.

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MEMORANDUM

TO: Alderwoman Sheila Tolliver
Ward 2

FROM: Ellen Moyer
Mayor

DATE: March 31, 2004

Preparing the State of the City report caused me to reflect on the things that have been accomplished in Ward 2. There is indeed a lot happening.

Some months ago you asked for support for sidewalks on Glenwood Avenue. The sidewalks are complete and have been christened by residents in Glenwood.

The State has been busy upgrading the intersection at Taylor Avenue and soon the construction along Rowe Boulevard will begin. I'm not looking forward to this construction disruption, nor I suspect are you. Despite your apprehensions about the Weems Creek Bridge, it will be four lanes and is designed to reduce pollutants and water run-off into the creek.

Efforts to clean up the Creek continue, and finally work on the Porter Drive out-fall is to begin. Major intervention to prevent stormwater run-off into Weems and College Creeks has been undertaken by the Naval Academy Athletic Association. The conversion of thirteen acres of impervious surface to grass and much needed soccer and lacrosse fields will also aid in this model redevelopment of land. Five hundred trees are to be planted this Spring along Farragut and Cedar Park, something your constituents have long desired.

Construction of the Police Department and an Emergency Operations Center begins this summer. I expect Park Place to be underway, too.

The collaborative process has resulted in an energized resident safety team in Clay Street. Aggressive action has reduced illegal drug sales, though not yet eliminated them.

Habitat has helped rehabilitate properties for home ownership. With the support of the Governor, a \$350,000 Community Legacy grant will continue the work of restoration in the Clay Street/West Washington Street neighborhood. A Heritage trail, oral histories by residents and a mural are slated for completion this year.

I'm sure you are pleased with the Stanton Center's service to the community. The hospital is adding a dental clinic to the medical center.

Northwest Street-end park, delayed for years, is nearing completion.

Your very active residents in West Annapolis have offered a vision that could guide future development and legislative action. Ward 2 is definitely a community that cares about itself. Residents work together to maintain and enhance their quality of life.

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MEMORANDUM

TO: Alderwoman Classie G. Hoyle
Ward 3

FROM: Ellen Moyer
Mayor

DATE: March 29, 2004

As I prepared the State of the City Report, I reflected on the things we've achieved together in two short years. When we started this administration in January, 2002, you shared with me the things you hoped to achieve for your Ward and the City during your term of office. You were particularly interested in developing a heritage trail in your neighborhood similar to the one in Eastport. You also hoped to bring some job training to at-risk youth in your neighborhood, pursue opportunities for home ownership and fiscal support for the Mt. Olive Community Center, and, of course, bringing the Forest Drive sidewalks – on the books for decades – to fruition.

This month, after 9 months of work by the Affordable Housing Task Force and public hearings, a Bill addressing affordable housing/home ownership, with your co-sponsorship, will be introduced before the Council. You may also be interested to know that 92 families moved into home ownership sponsored by Habitat and Homes for America over the last two years.

Today (Monday, March 29th) the follow-up to the Bowman Court collaborative process revealed increased citizen and police involvement.

Despite much work by the representatives of OIC, the Community College, the County Career Development program and the City, the skill building training program you first envisioned for the Parole Center (which now seems like a long way off) has been set back by the arson of the house to be restored. We are pursuing another house to continue the program.

The heritage trail continues to delight your constituents. The Planning Department is preparing a design for a small park to house the Civil War markers. Operating and Capital Grant programs have supported the Community Center at Mt. Olive. And the legal work with property owners is complete and the Forest Drive sidewalks will begin.

Additionally, your role on the Finance Committee and the County's Parole Committee has been an invaluable service to the City. Is there more we can achieve together? Sure. But I am proud, as I hope you are, of the achievements toward the initial goals set 2 years ago.

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MEMORANDUM

TO: Alderman George Kelley
Ward 4

FROM: Ellen Moyer
Mayor

DATE: March 31, 2004

Preparing the report on the State of the City has given me an opportunity to review the programs we have worked on together.

Way back on January, 2002, you shared with me your interests for your term in office. You hoped to see a recreation program developed that could open the door for at-risk young people to compete in national programs..In the Spring of 2002 we started on that goal. Working with the Hershey Park track program, we held a track field day. Our hope was that an ongoing track training program would evolve. Since track builds up personal confidence commensurate with personal challenge it seemed a good program for kids at risk. It was disappointing to me and I'm sure with you too, that this program, for lack of an advocate in the public housing community, never got off the ground. Perhaps with the hiring of an athletic director at the Housing Authority, programs as you suggested might happen. I recently clipped an article on Kick Ball (60 leagues in Baltimore) as something that might interest people in our public housing neighborhoods in citywide competitions.

You also expressed an interest in building our police force. As you know, we have hired 26 new officers in two years – only 3 were hired in 2001. We are building our public safety team. Under our leadership, the Annapolis Police Department has been awarded accreditation.

Your other concern was in the development of business opportunities. And I appointed you Chair of the Economic Matters Committee, where you were able to pursue a new department for minority and small business enterprises. As you will remember, creating this position was not popular with some Council members.

The Annapolis Cares Resource Center now counsels entrepreneurs in developing business plans to guide them toward successful business ventures. A recent strategic planning session has set a course for initiating career building training, obtaining bank bonding support and attracting successful businesses to proposed new retail space along West Street.

Challenges still face us, but most challenges are successfully met through strong partnership efforts. I am confident we will continue to move forward on your issues of concern.

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MEMORANDUM

TO: Alderman David Cordle
Ward 5

FROM: Ellen Moyer
Mayor

DATE: March 31, 2004

Preparing the State of the City report has given me the opportunity to review accomplishments in your Ward.

Faced with a stream flooded with trash, and working together with residents through the home owners association, City staff accomplished some measure of clean up. A gate across the storm drain now catches some of the trash. Harry Sandrouni enjoyed working with students keeping the environment clean. Additionally, a living fence of natural planting as wild rose and blackberry bushes now adorns the community property perimeter.

As Chair of the Public Safety Committee, you have continually pursued the County to retain an additional paramedic unit. I appreciate the Saturday morning time you committed to support the City's Bond request for the Eastport Fire House before the State Appropriations Committee.

On behalf of the State's Attorney your advocacy for a change in State law to correct conditions evidenced in the Griffin case is appreciated by all.

As you are aware, support for our public safety providers has made it possible for both the Fire and Police Departments to receive Accreditation.

In March, the 26th new police officer was sworn in to the Annapolis Police Department. Our force is young and trained in community policing. NET teams have expanded and crime statistics reveal the lowest violent crime rate in a decade. Police reports also demonstrate aggressive action against drug dealers. The priority fight for public safety is paying off.

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MEMORANDUM

TO: Alderwoman Cynthia Carter
Ward 6

FROM: Ellen Moyer
Mayor

DATE: March 30, 2004

As I prepared the State of the City report, I reflected on the things we have been able to accomplish in two years in your Ward.

In our conversation in January, 2002, you expressed interest in video surveillance systems as a crime deterrent. Through the collaborative process – police, business leaders and residents working together to identify and solve community problems – surveillance systems are being used in two neighborhoods. The collaborative process demonstrated the power of partnerships and crime is being reduced in these neighborhoods, but not yet eradicated. I hope we can involve more neighborhoods this year.

This month I swore in the 26th new police officer. Our force is younger and trained to new community policy standards.

The long time interest of constituents for traffic control along Hilltop Lane is now a reality.

City staff has also worked with youths in Robinwood on environmental programs. As changes in the Housing Authority leadership continue, I am confident citizen engagement in community building will be enhanced.

You also urged that management positions to minority population be enhanced. During these two years African-Americans now represent the City Attorney, the Community Relations Director, the Emergency Management Director, the Parks Administrator, the Director of Minority Small Business and the Assistant to the Director of the Department of Neighborhood and Environmental Programs. Additionally, women now manage departments traditionally managed by men. The City's minority participation in management positions more than tripled in two years. Prior to our administration, only the Police Chief and the Director of Human Resources were represented by African-Americans.

Your participation on the Task Force for Affordable Housing has been invaluable. This month the bill co-sponsored by you to address this issue will be introduced for Council consideration.

Our Sister City program is coming together to meet goals for cultural and economic exchange. I'm looking forward to the opening program with Gambia which I am confident will be the beginning of a long standing relationship.

Thank you for sharing your interests on behalf of your constituents and your commitment to enhancing our quality of life.

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MEMORANDUM

TO: Alderman Michael Fox
Ward 7

FROM: Ellen Moyer
Mayor

DATE: March 30, 2004

Preparing the State of the City plan, I reflected on the things we've been able to accomplish in your Ward in two short years.

After a decade, maybe even two, of discussion and debate, Edgewood Road is finally getting its make-over – sidewalks, curbs and all.

At your request on behalf of your constituents at Bay Woods, I've asked Emory Harrison and Margaret Martin to pave Edgewood around the park past Bay Woods. This can be handled through the operating budget for road resurfacing.

One of the most exciting programs is an environmental living classroom, completed as a volunteer project by the landscape architects. The new boardwalk is under construction, and grants have been received to seed eroding hillsides and enhance storm water runoff. This park housed the first Artist-in-the-Park program. This year residents will be able to rent canoes and kayaks at this once under utilized site. A great happening will be a home for Kan-Do.

Two years ago none of these programs seemed possible and Edgewood Road repair was on stall. We've come a ways.

Your leadership as Finance Chair has been an invaluable service to the City. I look forward to continuing our partnership of achievements for our citizens.

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MEMORANDUM

TO: Alderman Josh Cohen
Ward 8

FROM: Ellen Moyer
Mayor

DATE: March 31, 2004

Drafting the State of the City report has given me the opportunity to review the things we have been able to achieve in each Ward. Eastport, fitting for the Maritime Republic, is alive with action. New businesses will soon open on Fourth Street. The Clipper, a Gateway site, is undergoing renovation. And the BB&T bank will soon open on Sixth Street in a creative adaptive re-use of old houses.

Isabel did wash out the 2004 plans for the Maritime Museum, but the devastation revived interest in reconstructing the Museum, as did taking title to the Thomas Point Lighthouse.

Your interest in sidewalks expressed in our January, 2002 conversation has resulted in a citywide master plan for pedestrian connections.. Staff Team PED is gathering information on sidewalk conditions. Not yet addressed are legislative initiatives governing costs and responsibility for maintenance.

Money was allocated in the budget to address your other concerns for street calming and pedestrian access on Chesapeake and Bay Ridge Avenues. After many community forums these projects should begin this summer.

Money was also allocated to address the stormwater outlet into Wells Cove, a project not yet underway.

As staff with the State Hot Spots, you are aware of the actions necessary to combat poverty and crime. I am hopeful that initiatives to develop public safety teams for public housing will move us out of hot-spot definition. Hopefully the collaborative process, a successful model for citizen engagement, will be instituted this coming year in Eastport.

Last year you asked the City to pursue partner health care benefits. This year we offered it to our employees in the collective bargaining process, the forum where benefits are determined.

Your commitment to the public good is demonstrated in your participation on the Finance and Public Safety Committees. I am confident the forward motion to enhance our quality of life will continue.

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